

Select Energy

The Northeast Utilities System

ILLINOIS COMMERCE COMMISSION
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February 25, 2005

CHIEF CLERK'S OFFICE

Chairman Edward C. Hurley
Illinois Commerce Commission
160 North LaSalle Street
Suite C-800
Chicago, Illinois 60601

Frederic Lee Klein
Assistant General Counsel

Re: Commonwealth Edison Company
Auction-based Procurement Process

Dear Chairman Hurley:

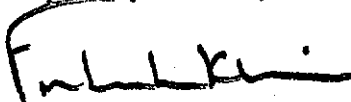
On behalf of Select Energy, Inc. ("Select"), I am writing to express our support for the auction-based procurement process for Commonwealth Edison and Ameren currently under consideration by the Illinois Commerce Commission.

Select is the competitive subsidiary of Northeast Utilities, the largest energy provider in New England. We are active participants in the competitive energy markets, including ownership of generation, wholesale electric and natural gas supply to utilities, as well as retail electric, natural gas and oil supply to commercial and industrial customers. Select serves approximately fifty wholesale customers with POLR and full requirements services in PJM, New England and New York, and we have in-depth experience with the various models and processes adopted by various states to procure POLR, including Requests for Proposals, Vertical Tranche Descending Clock auctions and bilateral negotiations.

Based on our broad experience in the competitive markets throughout the various power pools, Select has actively participated in the stakeholder meetings sponsored by the Commission. It is clear to us that the Vertical Tranche Descending Clock style auction process being proposed by ComEd is the preferred method for Illinois to procure reliable, cost-effective POLR service for its consumers, and Select looks forward to participating in that process.

Select believes that the stakeholder process has produced a consensus on credit issues that we support which would provide for a defined margining methodology applicable to amounts above an agreed upon credit threshold without an Independent Credit Requirement, bilateral settlement, and accelerated payments in the event of a utility downgrade. Select understands that serious issues, such as establishment of appropriate load caps, still need to be resolved. Select's experience with similar processes in a number of other states leads us to believe that these, and other issues that are sure to arise, can be satisfactorily resolved to permit active participation by suppliers in order to ensure the success of the procurement process. Select looks forward to being an active participant in that dialogue.

Respectfully submitted,



cc: Commissioners
ComEd

Everything within our power. Guaranteed.